



Site Select TN is the Tennessee Department of Economic and Community Development's quarterly newsletter aimed at informing our partners in business development on the successes and milestones being achieved in Tennessee. ECD's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs



# industry spotlight Automotive

When Tennessee Gov. Bill Haslam announced his new economic development plan for the state, Jobs4TN, six key clusters were identified where Tennessee holds a unique competitive advantage. It is no surprise that the automotive industry was one of those.

More than 900 auto plants and suppliers call Tennessee home, including assembly plants for Nissan, Volkswagen and General Motors. Thanks to this growing industry, 105,000 Tennesseans are employed and a payroll of more than \$6 billion is generated annually. In fact, one out of every three manufacturing jobs in the state supports the automotive sector. If recent trends continue, Tennessee's auto industry is poised for even further expansion and influence.

In February 2012, the first luxury model Infiniti JX, with a starting price upwards of \$40,000, rolled off the assembly line at Nissan's Smyrna, Tenn. plant. The Japanese automaker is planning to fill an additional 1,000 jobs over the next year to staff a



**LEFT:** The very first Infiniti built at Nissan's Smyrna, Tenn. assembly plant rolls off the line on February 21, 2012, marking the first luxury vehicle ever built in the state of Tennessee. The all-new 2013 Infiniti JX is scheduled to go on sale at Infiniti retailers nationwide in late March. **RIGHT:** Volkswagen Chattanooga marked the first significant production milestone of 2012 on February 7 with the completion of its 50,000th Passat. The Tennessee-made model is Motor Trend's 2012 Car of the Year.

second shift for assembling the JX and a new redesigned Nissan Pathfinder crossover.

The second shift jobs are in addition to 1,300 positions that will be hired to produce lithium-ion batteries for powering the all-electric Nissan LEAF. With a combined investment of \$1.7 billion, Nissan is currently retooling its Smyrna assembly plant to accommodate LEAF production beginning in early 2013, and building an adjacent 1.3 million-square-foot battery manufacturing facility to be completed this year. Nissan's Decherd, Tenn. engine plant will also see additional jobs and increased production when it begins manufacturing the LEAF's electric motor.

Nissan's Tennessee presence includes the company's North American headquarters located in Franklin. The 50-acre campus just south of Nashville was completed in 2008 and represents a capital investment of approximately \$100 million.



The Tennessee-made Volkswagen Passat, produced at the automaker's only North American manufacturing facility in Chattanooga, is earning rave reviews and adding to its roster of accolades that include the coveted Motor Trend 2012 Car of the Year. Most recently, Kelley Blue Book named the Passat its number one pick for the 10 Best Family Cars of 2012.

The Chattanooga location employs 2,500 people and is the world's first automotive manufacturer to receive platinum LEED certification. Plans for 200 new jobs were announced in January to increase production capacity from 31 to 35 cars per hour, and an additional 800 positions were announced in March, bringing the total new jobs in 2012 to 1,000.

On March 13, 2012, Volkswagen Group of America announced it will invest \$40 million in Tennessee to build a warehouse in Roane County, an hour and a half Northeast of the Chattanooga plant, for distributing domestic auto parts for the Passat. The 400,000-square-foot facility is expected to open by spring 2013 and will employ up to 45 people by 2016.

General Motors' Spring Hill, Tenn. plant is gearing up for auto assembly once again. The company announced a \$61 million investment last November to bring the idled plant back to life as one of the world's most flexible manufacturing facilities capable of building any GM car or crossover based on customer demand or manufacturing need. The investment will create 594 hourly jobs and 91 salaried positions for the flexible operation scheduled to begin with the Chevrolet Equinox in the second half of 2012.

GM also announced a second planned investment of \$183 million for future midsize vehicles to be built at Spring Hill with the exact timing to be determined. This additional investment is expected to create 1,090 hourly and 106 salaried positions.

Auto assembly will join GM's current manufacturing operations that include an engine plant, a stamping plant, two polymer injection molding operations and one painting operation for bumper fascias. GM has invested \$515 million in the engine operations in the last 14 months for production of current and next-generation Ecotec 4-cylinder engines. These Spring Hill-manufactured engines and other components are supplied to various GM assembly plants across the globe.

Tennessee's automotive advantages are many: right to work state, low business costs, central geographic location, strong transportation infrastructure and high-quality workforce. To learn more about why so many automotive companies have located in Tennessee, contact a member of the Business Development team at the Department of Economic and Community Development.

## Tennessee Auto Industry By the NUMBERS

**902**

OEM suppliers and ancillary manufacturers are located in Tennessee.

**3**

Auto assembly plants in Tennessee: Nissan in Smyrna, Volkswagen in Chattanooga, and GM in Spring Hill.

**34**

Percent of all manufacturing jobs in Tennessee support the automotive industry.

**\$6,011,801,340** Is the annual payroll for the auto industry in Tennessee.

**105,735**

Tennesseans are employed in auto manufacturing jobs.

**\$80,867,444**

Is the amount Tennessee has invested since 2006 to provide customized training assistance to the auto industry.

**1**

TVA-certified megasite left in the state. The 3,840 acre Greater Memphis Regional Megasite is one minute North of I-40, adjacent to CSX rail and 45 minutes East of Memphis International Airport and the FedEx World Headquarters.

**499**

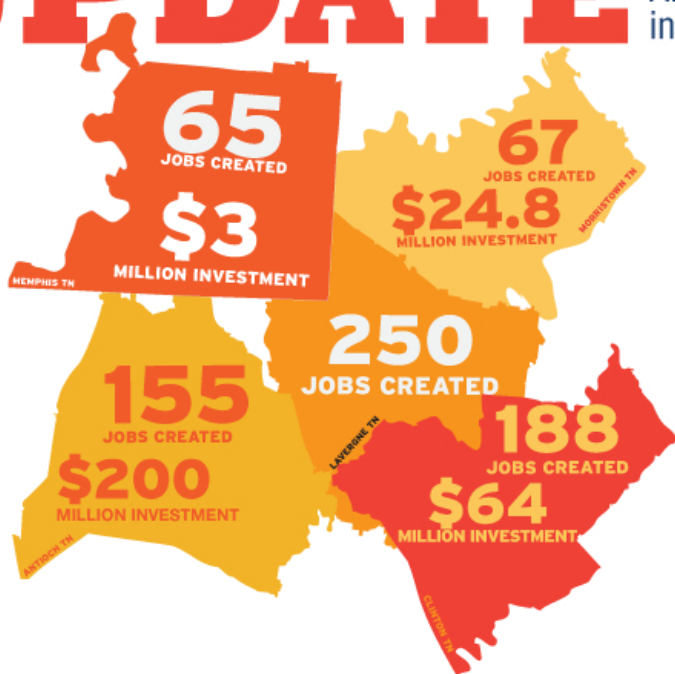
Miles separate Tennessee from Detroit, an easy day's drive to Motor City from suppliers in the Volunteer State.

**8**

Interstate highways provide immediate access to Tennessee cities for inexpensive and convenient auto transport.

# economic UPDATE

## Tennessee's Jobs Announcements in Q1



ECD hit the ground running in 2012, and the hard work is showing with jobs announcement after jobs announcement. In the first quarter alone, Tennessee welcomed over 4,371 jobs and more than \$1.2 billion in investment. Five of the largest announcements this quarter included Eagle Bend Manufacturing, Saks Inc., OTICS USA, Inc., HCA and Oxford Diagnostic Laboratories.

In January, Eagle Bend Manufacturing, Inc. announced it will expand its Clinton, Tenn. facility, creating 188 new jobs and investing \$64 million over the next five years. The company, a division of Magna International, Inc., is a Tier 1 automotive parts supplier for original equipment manufacturers (OEMs) of cars and light trucks worldwide.

Saks Incorporated announced in February it will add a new distribution and fulfillment facility in LaVergne, Tenn. The new state-of-the-art distribution and fulfillment center will occupy approximately 564,000 square feet of leased space and will be equipped with a sophisticated mobile-robotic fulfillment system that has been successfully utilized in the company's Maryland facility. The company expects the Ten-

nessee facility to be operational by August 2012 and ultimately to employ over 250 full-time associates at complete capacity.

OTICS USA, Inc. announced in February plans to expand its Morristown, Tenn. facility. As a result of increased market demand, the automotive parts manufacturer will invest an additional \$24.8 million and create 67 new manufacturing jobs. The company manufactures automotive parts for major corporations in the automotive industry. OTICS USA, Inc. is the first Japanese transplant company in the United States for the OTICS Corporation. This expansion marks the company's third expansion since its foundation in 2001.

In February, HCA announced plans to build a new data center at The Crossings in Antioch, Tenn. and expand its existing IT locations in the Nashville region. The construction and expansion plans represent a total investment in excess of \$200 million and the creation of approximately 155 IT jobs during a five-year period.

Oxford Diagnostic Laboratories announced in February its decision to open a new laboratory in Memphis, Tenn. The company will invest \$3 million and create 65 lab processing, medical technologist and management positions. Oxford Immunotec is a global immunology focused diagnostics company developing novel new tests for various diseases based on its innovative, patented T-SPOT® technology.

### Top Q1 Announcements in Tennessee



Automotive parts supplier for original equipment manufacturers (OEMs) of cars and light trucks worldwide. 188 new jobs and investing \$64 million.



Healthcare company. Announced plans to build a new data center and expand its existing IT locations in the Nashville region. \$200 million investment and the creation of approximately 155 IT jobs.



Automotive parts manufacturer. \$24.8 million investment and 67 new manufacturing jobs. The company manufactures automotive parts for major corporations in the automotive industry.



New laboratory in Memphis. \$3 million investment; 65 lab processing, medical technologies and management positions. A global immunology focused diagnostics company developing new tests for various diseases based on its T-SPOT® technology.



New state-of-the-art distribution and fulfillment center to employ over 250 full-time associates at complete capacity.





Introducing ECD's

## Project Management Team

ECD's Project Management team, led by Assistant Commissioner Kingsley Brock, is responsible for the recruitment of new industry to Tennessee.



**Kingsley Brock**  
Assistant Commissioner

**Kingsley Brock** serves as assistant commissioner for business development after having served in economic development at ECD for the past 10 years. Brock is the state's lead recruiter having worked on a number of significant projects including Amazon, Mars, Federated Department Stores, Oreck, Verizon Wireless, Hemlock Semiconductor and Jackson National Life Insurance. He is a graduate of North Carolina State University. Brock is responsible for ECD's business development functions including the project management and FastTrack incentive teams.

As director of Program Management, **Lori Odom** oversees new business development for Tennessee. She joined ECD in 2004 and was formerly ECD's director of international development. Along with recent announcements including Saks Distribution and

OxyChem, she has handled investment projects from Korea, Japan, German and China. During her tenure, Tennessee successfully opened the Tennessee-China Development Center in Beijing. A graduate of the University of Tennessee-Knoxville, Odom has led Tennessee trade missions to Canada, China, Europe and Japan.



**Lori Odom**  
Director of Global Program Management

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**Gina Brown**  
Project Manager (Corporate Headquarters; Data and Call Centers; Healthcare)

**Gina Brown** joined ECD in 2008 and has successfully managed large scale investments including investments from HCA, Viacom and Life-point. Prior to joining the project management team, Gina was a jobs development specialist at ECD with responsibility for projects in the Middle Tennessee region. Brown is a graduate of the

University of Tennessee-Chattanooga.



**John Butler**  
Project Manager (International)

**John Butler** is a project manager with primary responsibility for handling foreign direct investment projects. Butler was instrumental in bringing C&F Manufacturing and Quaprotek to the state. He was formerly vice president of international development for the Nashville Area Chamber of Commerce and managed export policy for

the state of Tennessee during the mid-90's. He serves as the Honorary British Consul for Tennessee and is a graduate of the University of Westminster-London.

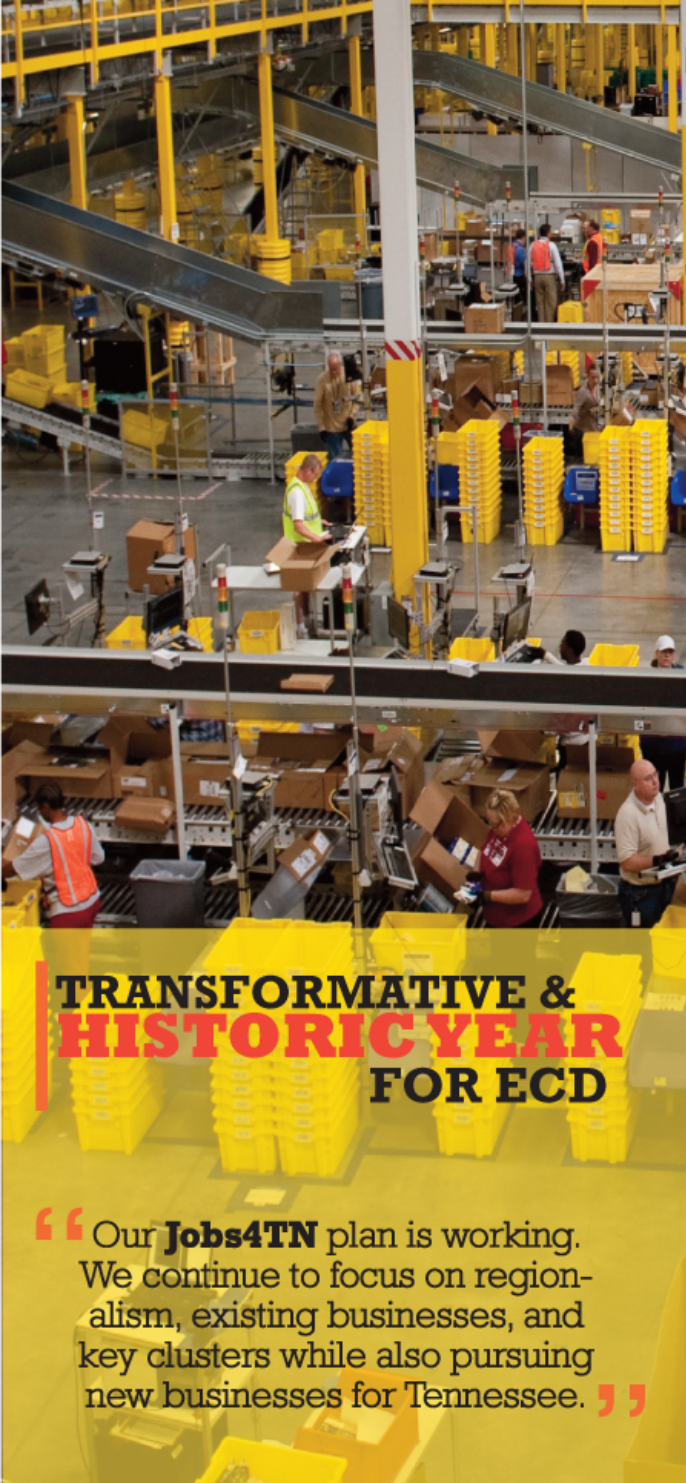


**Brenda Pfeiffer**  
Project Manager (Automotive; Advanced Manufacturing; Food Processing)

**Brenda Pfeiffer** leads the charge on automotive and advanced manufacturing projects, having successfully managed more than 200 economic development projects since 2007 with capital investments totaling more than \$900 million. Recent wins include Mann+Hummel, Amazon and General Motors. She is a graduate of Oakland University in Rochester, MI and in 2004 graduated from the Economic Development Institute at the University of Oklahoma.







Gov. Bill Haslam and ECD Commissioner Bill Hagerty released in January the department's 2011 Annual Report, which details successful changes and historic milestones achieved by the department over the past year. In 2011, ECD projects and private sector growth accounted for 28,535 new jobs in Tennessee and more than \$4 billion in investment. After reshaping the model for economic development, ECD had one of the most productive years in the state's history, hitting its highest job creation mark in the last five years.

"Making Tennessee the No. 1 state in the Southeast for high quality jobs continues to be a top priority for this administration," Haslam said. "Our Jobs4TN plan is working. We continue to focus on regionalism, existing businesses, and key clusters while also pursuing new businesses for Tennessee. I am convinced that Tennessee can compete with anyone when it comes to attracting jobs."

"Tennessee transformed its economic development model in 2011, applying solid business principles to set the stage for long-term growth," Hagerty said. "The state experienced a record year for private sector job creation in this challenging, new economy. Tennessee is well-positioned to compete nationally and globally with one of the most business-friendly climates in the world."

After becoming the first department in state government to undergo Haslam's top-to-bottom review, ECD saw a significant realignment of departmental resources accompanied by a reduction in overall staff size by more than 40 percent. At the same time the business development team, which includes those on the frontlines of recruiting and retaining companies, grew by more than 70 percent.

The top-to-bottom review resulted in the Jobs4TN economic development plan announced in April 2011. This new strategy narrowed ECD's focus to key

sectors where the state holds a unique competitive advantage along with a renewed emphasis on assisting existing Tennessee companies that create the vast majority of all new jobs in the state. Other components included a decentralization of ECD with the establishment of jobs base camps in nine regions throughout the state, a \$50 million investment in innovation through the INCITE program, and a review of burdensome and business-inhibiting federal and state regulations.

### KEY RESULTS SINCE IMPLEMENTING THE JOBS4TN PLAN:

- Haslam, Hagerty and ECD staff traveled the state to meet with more than 2,000 companies and over 700 economic development stakeholders.
- Each jobs base camp worked with local stakeholders to complete a strategic plan for their region.
- ECD partnered with Nashville's Entrepreneur Center and the Startup America Partnership to form Startup Tennessee to connect and align statewide entrepreneurial efforts.
- Nine Regional Business Accelerators were selected to assist entrepreneurs as they develop business plans and launch new companies.
- The \$30 million INCITE Co-Investment Fund was established to increase access to seed-, early- and expansion-stage capital for Tennessee businesses.
- ECD authored the Regulatory Reform Report summarizing a review of federal and state regulations that negatively impact businesses and inhibit new investment.
- Rural job creation was addressed through a statewide site certification program, a TVA partnership to provide best practices regional economic development training and a digital factory pilot to create work-at-home business services opportunities.
- The TNTrade program was launched to boost Tennessee exports through the Market Access Program and a 2012 trade mission to China and South Korea focused on medical device manufacturers and other health care companies.





## Tennessee Receives National Economic Development Awards

Tennessee is known for its business friendly environment that gives companies the confidence to invest and grow, and several national publications are taking notice. The first quarter of 2012 brought multiple awards for the state including four CiCi Awards. The publishers of *Trade & Industry Development* magazine, a national economic development publication, named Amazon, General Motors, Quaprotek USA, MANN+HUMMEL USA and the Tennessee Department of Economic and Community Development among the recipients of its 2012 Corporate Investment & Community Impact (CiCi) Awards. With more than 700 project submissions throughout North America, these projects were chosen as four of only 15 finalists in the Community Impact division of the CiCi Awards, totaling the most for any state.



*Trade & Industry Development* recognized Amazon.com, Inc. for the company's December 2011 announcement that two new fulfillment centers will be built in Wilson and Rutherford counties. These latest Middle Tennessee locations will create more than 1,300 jobs and generate an investment of \$135 million. Together with three existing facilities in Wilson, Hamilton and Bradley counties, Amazon will create more than 3,300 jobs and invest over \$270 million in Tennessee.

In November 2011, General Motors announced a \$61 million investment to bring its idled Spring Hill, Tenn. assembly plant back to life as one of the world's most-flexible manufacturing facilities capable of building any GM car or crossover based on customer demand or manufacturing need. The investment will create 594 hourly jobs and 91 salaried positions for the flexible operation scheduled to begin with the Chevrolet Equinox in the second half of 2012. GM also announced a second investment of \$183 million for future mid-size vehicles to be built at Spring Hill with the exact timing to be determined. The investment is expected to create an additional 1,090 hourly and 106 salaried positions.

Quaprotek USA announced in August 2011 its plans to locate a manufacturing facility for the production of metal parts for vehicles, engines and power trains in Ripley, Tenn. The German-based company will invest \$22 million and create 126 jobs during a five-year period to supply leading manufacturers within the automotive industry.

MANN+HUMMEL USA announced in November 2011 its decision to locate a satellite production facility in Dunlap, Tenn. The company expects to invest nearly \$15 million during a three-year period and employ approximately 150 production workers and technicians by the end of 2013. MANN+HUMMEL USA designs and produces air intake manifolds, air cleaner systems and fluid reservoirs for the automotive, heavy duty and industrial markets.

## ECD Project Manager Named 2012 GUILD AWARD Co-Winner

ECD Project Manager Brenda Pfeiffer was the recipient of a 2012 Excellence in Economic Development Award from The Site Selectors Guild. She was honored in the Special Jurisdiction Economic Development Organization (EDO) category along with co-winner Tim Tidwell, target market coordinator for the Tennessee Valley Authority.

Also recognized in Tennessee was Mark Herbison, senior vice president of economic development for the Greater Memphis Chamber, who received the Metro EDO award.

The Guild awards recognize individuals and organizations for their contributions to investment attraction and job creation in their respective communities. Site Selectors Guild members honored the winners during the annual Site Selectors Guild Conference held January 24-26 in Orlando, Fla.



Brenda Pfeiffer, ECD project manager, was named the 2012 Guild Award co-winner by The Site Selector Guild in the Special Jurisdiction Economic Development Organization (EDO) category.

For more information, visit [www.siteselectorsguild.com](http://www.siteselectorsguild.com).